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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

Be Ho

THIS LEASE AGREEMENT is made this

Carver

und

PAID UP OIL AND GAS LEASE

(No Surface Use)

<u>husband</u>

Hom D.

2008, by and between

Carver

whose addresss is <u>6913</u>	Chippendale ES, LLC. 2100 Ross Avenue, S	Drive FOR	T Worth, I	exas, 76134	and ware prepared	as Lessor,
hereinahove gamed as Lessee, hi	ES, L.L.C., 2100 Ross Avenue, S at all other provisions (including the ash bonus in hand paid and the	e completion of blank st	baces) were prepared (o	inijy by Lessor and Lessee.		
described land, hereinafter called					•	
	ND, MORE OR LESS, BE	ING LOT(S)	19		BLOCK	0
	· Keller	DANT COUNTY		ADDITION, AN ADD ING TO THAT CER		
IN VOLUME 385-	, PAGE	7 OF	THE PLAT RECOI	RDS OF TARRANT C	OUNTY, TEXA	iS.
in the County of Tarrant, State reversion, prescription or otherwisubstances produced in associa commercial gases, as well as hy land now or hereafter owned by Lessor agrees to execute at Less of determining the amount of any	se), for the purpose of exploring tion therewith (including geophy drocarbon gases. In addition to the contiguous or accessor which are contiguous or access request any additional or suppose's request any additional or supp	ior, developing, product sical/seismic operations ne above-described lea ljacent to the above-de plemental instruments for sich product sich product sich sich product sich	cing and marketing oil a s). The term "gas" as sed premises, this lease scribed leased premises or a more complete or a	used herein includes hel e also covers accretions ar s, and, in consideration of t ccurate description of the la	rocarbon and non ium, carbon dioxion id any small strips the aforementioned and so covered. For	hydrocarbon ie and other or parcels of cash bonus,
as long thereafter as oil or gas or		shall be in force for a pare produced in paying	rimary term of i v quantities from the leas		ars from the date he pooled therewith o	
separated at Lessee's separator Lessor at the wellhead or to Less the wellhead market price then prevailing price), for production Ticks Lessee shall have the continuing no such price then prevailing in it the same or nearest preceding de more wells on the leased premise are waiting on hydraulic fractures is be deemed to be producing in pa there from is not being sold by L Lessor's credit in the depository of while the well or wells are shut-in is being sold by Lessee from and following cessation of such operaterminate this lease. 4. All shut-in royally payme be Lessor's depository agent for in draft and such payments or tend address known to Lessee shall of payment hereunder, Lessor shall, 5. Except as provided for in premises or lands pooled therew pursuant to the provisions of Pa nevertheless remain in force if Le on the leased premises or lands the end of the primary term, or a operations reasonably calculated no cessation of more than 90 co there is production in paying qua	d other substances produced and facilities, the royalty shall be	ansportation facilities, phere is no such price til for gas (including ca deceds realized by Leid by Lessee in delivering at the prevailing wellhed field in which there is sommences its purchase apable of either producing either shut-in or programinataining this lease. The producing sold by Lessee; programises or lands pooleure to properly pay shut or tendered to Lessor o	provided that Lessee shanen prevailing in the sale sing head gas) and all assee from the sale the growth of the sale the	a) of such production, to be all have the continuing right me field, then in the nearest other substances covered reof, less a proportionate rise marketing such gas or production of similar quality pursuant to comparable pursuant to consecutive days such well od by this lease, such paym or before each anniversary or before each anniversary or soften to be such a substances covered to the deposit of the deposit	delivered at Lesse to purchase such to purchase such to purchase such to purchase such the field in which the differences, the row part of ad valored other substances, yin the same field chase contracts error or any time their paying quantities well or wells shall revells are shut-intent to be made to of the end of said 5 dby operations, ore end of the 90-dated the purchase of the end of said 5 dby operations, ore end of the 90-dated the good of the end of said 5 dby operations, ore end of the said for the end of said 5 dby operations, or editory or to the Lessy yreason fail or referry agent to receive called "dry hole") or a restoring a prestoring operation of all producing maintained in obtaining or restoring operations are produced hereby, as long in paying quantities as same or similar of therewith, or (b) the contraction of the producing quantities and the producing quantities and the contraction of the producing quantities and the producing quantities are producing quantities and the producing quantities and the producing quantities are producing quantities and the producing quantities and the producing quantities and the producing quantities are producing quantities and the produ	se's option to production at production at ally shall be m taxes and provided that (or if there is stered into on eafter one or or such wells nevertheless or production t.essor or to 10-day period next of operate to s, which shall y check or by sor at the last sy check or by sor at the last is boundaries force it shall on the payments. In the leased it boundaries force it shall or any other osecuted with thereafter as se hereunder, incurrents to protect the
additional wells except as express 6. Lessee shall have the ri depths or zones, and as to any proper to do so in order to pruder unit formed by such pooling for a horizontal completion shall not ex completion to conform to any wel of the foregoing, the terms "oil w prescribed, "oil well" means a wel feet or more per barrel, based equipment; and the term "horizor component thereof. In exercisin Production, drilling or reworking	sly provided herein. ght but not the obligation to pool or all substances covered by this ntly develop or operate the leased n oil well which is not a horizontal ceed 640 acres plus a maximum i i spacing or density pattern that r lell" and "gas well" shall have the l with an initial gas-oil ratio of less on 24-hour production test condintal completion" means an oil we ntal completion" means an oil we tig its pooling rights hereunder, Le operations anywhere on a unit w	ail or any part of the le lease, either before or premises, whether or n completion shall not ex acreage tolerance of 10 ay be prescribed or per meanings prescribed by than 100,000 cubic fee ucted under normal pre ell in which the horizont in which the horizont see shall file of record thich includes all or an	ased premises or intere after the commenceme ot similar pooling author sceed 80 acres plus a n %; provided that a large mitted by any governmi of applicable law or the a et per barrel and "gas we oducing conditions usin ntal component of the et component of the gro a written declaration d by part of the leased pro	st therein with any other land of production, whenever into exists with respect to sure aximum acreage tolerance or unit may be formed for an ental authority having jurisd appropriate governmental at lill means a well with an initig standard lease separate gross completion interval is so completion interval in the escribing the unit and static mises shall be treated as	nds or interests, as Lessee deems it ch other lands or ir of 10%, and for a oil well or gas well iction to do so. Fo uthority, or, if no do lal gas-oil ratio of 1 r facilities or equin facilities or equin e reservoir exceed g the effective da if it were production.	to any or all necessary or necessary or necessary or ags well or a or horizontal r the purpose efinition is so 00,000 cubic valent testing valent testing is the vertical te of pooling, on, drilling or
net acreage covered by this leas Lessee. Pooling in one or more unit formed hereunder by expan: prescribed or permitted by the gr making such a revision, Lessee's leased premises is included in or be adjusted accordingly. In the a	hall file of record a written declara excluded from the unit by virtue of	to the total gross acrea e's pooling rights here, before or after comme diction, or to conform to atton describing the rev- if such revision, the pro- antities from a unit, or u	ige in the unit, but only inder, and Lessee shall incement of production, o any productive acreage ised unit and stating the portion of unit production ipon permanent cessaling pon permanent pon permanent pe	to the extent such proport have the recurring right but in order to conform to the ge determination made by se effective date of revision. In on which royalties are pa on thereof, Lessee may terr	ion of unit production of the obligation well spacing or described and the control of the extent any yable hereunder stringte the unit by finate t	on is sold by to revise any ensity pattern authority. In portion of the nall thereafter

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in Such part of the leased premises.

The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth of zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or entarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter. arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. It Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing cross thereon. Lessee shall have the right at any time to remove its fixtures. how on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's

control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder for a period of at least 90 days after Lessor has given Lessee.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whote or in part unless Lessee is given a reasonable

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Betty Jean Carver ACKNOWLEDGMENT STATE OF IEXC HOD TECHO 2008. Notary Public, State of TEXC KISHA G. PACKER POLK Notary Public, State of Texas s name (printed): Notary's commission expires My Commission Expires April 15, 2012 STATE OF COUNTY OF This instrument was acknowledged before me on the 2008. day of



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00

Filed For Registration: 06/27/2008 09:17 AM
Instrument #: D208247968
LSE 3 PGS

By:

D208247968

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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